

# AUSTIN CITY COUNCIL

## AGENDA



Thursday, May 4, 2006

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### Purchasing Service Agreement RECOMMENDATION FOR COUNCIL ACTION

**Subject:** Authorize execution of a contract with POWER SUPPLY, INC., Austin, TX, for the purchase of shunt capacitor banks in an amount not to exceed \$467,360.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2005-2006 Approved Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

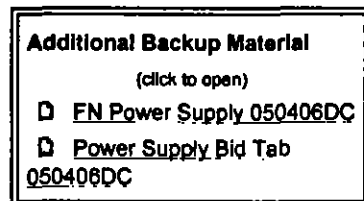
**For More Information:** Dolores Castillo, Sr. Buyer/322-6466

**Prior Council Action:**

**Boards and Commission Action:**

**Purchasing Language:** Lowest bid of three bids received.

**MBE/WBE:** This contract will be awarded in accordance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.



This contract will provide for the new installation of eight shunt capacitor banks as required throughout various substations in the Austin Energy power system. Capacitor banks are used for voltage stabilization of power. The capacitor banks are switched on during times of high load demand to keep the voltage of the power system stable. Austin Energy currently has 18 capacitor banks installed throughout the power system.

MBE/WBE Solicited: 4/1 MBE/WBE Bid: 0/0

### PRICE ANALYSIS

- Adequate competition.
- Twelve notices were sent including four MBEs and one WBE. Six solicitations were issued. Three bids were received with no MBEs/WBEs responding.
- The bid pricing offered represents an 18% increase to the last award in October 2003. The increase can be attributed to the higher cost of labor, steel and steel products which are required for the manufacturing of this item.

### APPROVAL JUSTIFICATION

- Low bid.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

**CIP BUDGET  
Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

5/4/2006

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Authorize execution of a contract with POWER SUPPLY, INC., Austin, TX, for the purchase of shunt capacitor banks in an amount not to exceed \$467,360.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Transmission**  
Project Authorization:       2005-2006 Approved Capital Budget

Current Appropriation	\$ 155,475,734.00	
Unencumbered Balance		\$ 9,635,932.70
Amount of This Action		<u>(467,360.00)</u>
Remaining Balance		<u>\$ 9,168,572.70</u>

**Use of Remaining Balance:**

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

**Use of Any Remaining Funds After Completion of Project:**

No remaining funds anticipated at this time.

Director, Planning and Budget

Signature: J.E. Pokorny Date: 4/12/2006

**BID TABULATION**  
**8 Shunt Capacitor Banks**  
**IFB No. DC06100014**

<b><u>Vendor</u></b>	<b><u>Total Price</u></b>
<b>Power Supply Austin, Texas</b>	<b>\$467,360</b>
<b>KBS Elect. Austin, Texas</b>	<b>\$569,896</b>
<b>GE Supply Austin, Texas</b>	<b>\$860,320</b>

**Bid tabulation is on file in the Purchasing Office.**